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Dianne R. Nielson, Ph.D. *Executive Director*

William J. Sinclair Deputy Director

MEMORANDUM

TO: Members of the Legislative Hazardous Waste Regulation and Tax Policy Task

Force

FROM: Bill Sinclair, Deputy Director

Utah Department of Environmental Quality

SUBJECT: Legislative audit report

DATE: June 1, 2004

During testimony before the Task Force on November 18, 2003, the Department was asked the following question: "Are there additional regulatory actions DEQ would want to take if additional resources were available? If so, please describe those actions and additional resources needed."

Issues addressed in that response that are mentioned in the audit report:

- Health of the Environmental Quality Restricted Account
- Additional groundwater split-sampling
- Additional audits of fee payments
- Increased monitoring

A copy of the response is attached. The Department was aware of and was working on these issues prior to the authorization of the Legislative audit.





5. Are there additional regulatory actions DEQ would want to take if additional resources were available? If so, please describe those actions and additional resources needed.

As previously mentioned, DEQ believes a sufficient regulatory program has been established for monitoring of facilities. Support to this regulatory program comes from various fees that are deposited into the Environmental Quality Restricted Account. There is an overall concern about the health of the Environmental Quality Restricted Account. During the 2003 Legislative Session, fees were increased on radioactive waste and treated hazardous waste and fees were initiated on construction and demolition waste and an annual fee beginning in January 2004 was placed on solid waste landfills. The purpose of the increase in fees was to address shortfalls into the fund of approximately \$1 million. If the fees are removed from treated hazardous waste, 1/3 of the fix will be removed. Whatever fee changes are being proposed need to be revenue neutral. This may require that the loss in fees be offset in another manner. For example, currently \$500,000 of disposal fees goes directly to the General Fund as free revenue. Reducing this contribution to \$200,000 might be a means to make a decrease in fees for treated hazardous waste "revenue neutral."

Additional resources would be needed to implement any potential changes to the existing regulatory framework as a result of policy decisions including:

- # increased monitoring (full-time inspectors)
- # additional split groundwater sampling
- # additional audits of fee payments
- # additional staff needed if Envirocare is allowed to accept Class B and C low-level radioactive waste (See Tab 8-2)

(http://www.deq.state.ut.us/EQOAS/task force/8.2.pdf).